

REPORT
REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
(STATE OF LOUISIANA)

JUNE 30, 2008 AND 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/7/09

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
(STATE OF LOUISIANA)

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INDEPENDENT AUDITOR'S REPORT

December 30, 2008

Board of Trustees
Registrars of Voters Employees'
Retirement System of Louisiana
P. O. Box 57
Jennings, LA 70546

We have audited the accompanying statements of plan net assets of the Registrars of Voters Employees' Retirement System as of June 30, 2008 and 2007, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Registrars of Voters Employees' Retirement System as of June 30, 2008 and 2007 and the results of operations and changes in net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on Pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We have audited the financial statements of the System for the years ending June 30, 2008 and 2007 and issued our unqualified opinion on such financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplemental information on pages 28 - 29 and the supplemental schedules listed on pages 22-27 are presented for the purposes of additional analysis and are not a part of the basic financial statements. The required supplemental information for the years ending June 30, 2003 - 2008 and supplemental schedules for the years ending June 30, 2008 and 2007 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 30, 2008 on our consideration of the Registrars of Voters Employees' Retirement System's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Duplantier, Hrapmann, Hogan & Maher, LLP

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008

The Management's Discussion and Analysis of the Registrars of Voters Employees' Retirement System of Louisiana presents a narrative overview and analysis of the System's financial activities for the year ended June 30, 2008. This document focuses on the current year's activities, resulting changes, currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the Registrars of Voters Employees' Retirement System of Louisiana's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- » The Registrars of Voters Employees' Retirement System's assets exceeded its liabilities at the close of fiscal year 2008 by \$61,683,841 which represents an increase from last year. The net assets held in trust for pension benefits decreased by \$2,484,790 or 3.87%. The decrease was primarily due to a decrease in investment performance.
- » Contributions to the System by members, employers and tax revenues totaled \$3,115,038, a decrease of \$42,333 or 1.34%.
- » Pension benefits paid to retirees and beneficiaries decreased by \$150,604 or 4.80%. This decrease was because in the current year there were not as many retirees.
- » Administrative expenses of the System totaled \$170,397, a decrease of \$6,898 or 3.89%.
- » Investment results reported a net loss of \$2,157,440 for the year ended June 30, 2008. This is a 132.18% decrease in prior year net investment income. This is primarily due to poor investment market returns.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the System's basic financial statements, which are comprised of three components:

- » Statement of plan net assets
- » Statement of changes in plan net assets, and
- » Notes to the financial statements.

This report also contains required supplemental information in addition to the basic financial statements themselves.

The statement of plan net assets reports the System's assets, liabilities, and resultant net assets held in trust for pension benefits. It discloses the financial position of the System as of June 30, 2008 and 2007.

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008

The statement of changes in plan net assets reports the results of the System's operations during the year disclosing the additions to and deductions from the plan net assets. It supports the change that has occurred to the prior year's net asset value on the statement of plan net assets.

FINANCIAL ANALYSIS OF THE SYSTEM

Registrars of Voters Employees' Retirement System provides benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana. Member contributions, employer contributions and earnings on investments fund these benefits.

Statements of Plan Net Assets
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash	\$ 1,621,048	\$ 1,642,504
Receivables	509,423	454,453
Investments	59,745,632	62,217,346
Property and equipment	<u>1,919</u>	<u>3,105</u>
Total assets	61,878,022	64,317,408
 Total liabilities	 <u>194,181</u>	 <u>148,777</u>
 Net Assets Held in Trust		
For Pension Benefits	<u>\$ 61,683,841</u>	<u>\$ 64,168,631</u>

Plan net assets decreased by \$2,484,790 or 3.87%. The decrease in plan net assets was a result of poor investment performance in 2008.

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008

Statements of Changes in Plan Net Assets
For the Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Additions:		
Contributions	\$ 3,115,038	\$ 3,157,371
Investment income/(loss)	(2,517,440)	7,823,142
Other	<u>234,596</u>	<u>383,328</u>
Total additions	832,194	11,363,841
Total deductions	<u>3,316,984</u>	<u>3,555,287</u>
Increase (decrease) in Plan Net Assets	\$ <u>(2,484,790)</u>	\$ <u>7,808,554</u>

Additions to Plan Net Assets

Additions to the System's plan net assets were derived from member contributions, employer contributions and ad valorem taxes and state revenue sharing funds, and investment income. The System experienced a net investment loss of \$2,517,440. The investment loss was primarily due to a decrease in market performance in the current year.

	<u>2008</u>	<u>2007</u>	Increase (Decrease) Percentage
Member Contributions	\$ 721,819	\$ 599,183	20.47%
Employer Contributions	695,915	1,070,419	(34.99)
Ad Valorem & State			
Revenue Sharing	1,697,304	1,487,769	14.08
Net Investment Income (loss)	(2,517,440)	7,823,142	(132.18)
Other	<u>234,596</u>	<u>383,328</u>	(38.80)
	\$ <u>832,194</u>	\$ <u>11,363,841</u>	

Deductions from Plan Net Assets

Deductions from plan net assets include mainly retirement, death and survivor benefits and administrative expenses. Deductions from plan net assets totaled \$3,316,984 in fiscal year 2008. This is decrease of \$238,303 from the previous year and primarily due to decreases in benefits paid during fiscal year end June 30, 2008.

REGISTRARS OF VOTERS
EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2008

	<u>2008</u>	<u>2007</u>	<u>Increase (Decrease) Percentage</u>
Retirement Benefits	\$ 2,983,950	\$ 3,134,554	(4.80)%
Refunds of Contributions	94,989	84,341	12.62
Transfers to Other Systems- Employee	19,326	26,447	(26.93)
Transfers to Other Systems- Employer/Interest	47,136	130,919	(64.00)
Administrative Expenses	170,397	177,295	(3.89)
Depreciation	<u>1,186</u>	<u>1,731</u>	(31.48)
	<u>\$ 3,316,984</u>	<u>\$ 3,555,587</u>	

Investments

Registrars of Voters Employees' Retirement System is responsible for the prudent management of funds held in trust for the exclusive benefits of their members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at June 30, 2008 amounted to \$59,745,632 as compared to \$62,217,346 at June 30, 2007. The System's investments in various markets at the end of the 2008 and 2007 fiscal years are indicated in the following table:

	<u>2008</u>	<u>2007</u>	<u>Increase (Decrease) Percentage</u>
Cash Equivalents	\$ 2,361,789	\$ 3,201,738	(26.23)%
Bonds	12,393,879	15,329,582	(19.15)
Equities	18,284,002	21,003,159	(12.59)
Limited Liability Companies	3,141,784	2,079,325	51.10
Limited Partnerships	8,885,261	5,821,772	52.62
Commingled Funds	<u>14,678,917</u>	<u>14,781,770</u>	(.70)
	<u>\$ 59,745,632</u>	<u>\$ 62,217,346</u>	

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to Lorraine Dees, Executive Director, Registrars of Voters Employees' Retirement System of Louisiana, P. O. Box 57, Jennings, LA 70546.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2008 AND 2007

	2008			2007		
	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)
ASSETS						
CASH:						
In bank (Note 6)	\$ 1,621,048	\$ -	\$ 1,621,048	\$ 1,642,504	\$ -	\$ 1,642,504
RECEIVABLES:						
Member contributions (Note 1)	74,373	-	74,373	58,488	-	58,488
Employer contributions	66,453	-	66,453	103,292	-	103,292
Due from retiree	1,500	-	1,500	2,000	-	2,000
Ad valorem and revenue sharing receivable	-	-	-	-	-	-
Investment receivable	173,005	-	173,005	47,247	-	47,247
Accrued interest and dividends	183,405	10,687	194,092	230,464	12,962	243,426
Total receivables	498,736	10,687	509,423	441,491	12,962	454,453
INVESTMENTS AT FAIR VALUE:						
(Pages 24 and 25) (Notes 1 and 6)						
Cash equivalents	2,199,258	162,531	2,361,789	3,092,831	108,907	3,201,738
Corporate bonds	7,353,533	-	7,353,533	9,542,774	-	9,542,774
Government bonds	4,067,446	972,900	5,040,346	4,812,664	974,144	5,786,808
Limited liability companies	3,141,784	-	3,141,784	2,079,325	-	2,079,325
Limited partnerships	8,885,261	-	8,885,261	5,821,772	-	5,821,772
Marketable securities	18,284,002	-	18,284,002	21,003,159	-	21,003,159
Commingled funds	14,383,733	295,184	14,678,917	14,426,147	355,623	14,781,770
Total investments	58,315,017	1,430,615	59,745,632	60,778,672	1,438,674	62,217,346
FURNITURE AND EQUIPMENT:						
(Notes 1 and 7)						
Net of accumulated depreciation -	1,919	-	1,919	3,105	-	3,105
\$24,844 for 2008 and \$23,658 for 2007						
Total assets	60,436,720	1,441,302	61,878,022	62,865,772	1,451,636	64,317,408
LIABILITIES:						
Accounts payable	53,325	-	53,325	56,312	-	56,312
Investment payable	140,856	-	140,856	92,465	-	92,465
Total liabilities	194,181	-	194,181	148,777	-	148,777
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 60,242,539	\$ 1,441,302	\$ 61,683,841	\$ 62,716,995	\$ 1,451,636	\$ 64,168,631

See accompanying notes.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008			2007		
	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)	Retirement System Trust Fund	Members' Supplemental Savings Trust Fund	Total (Memorandum Only)
ADDITIONS: (Note 1)						
Contributions:						
Members	\$ 721,819	\$ -	\$ 721,819	\$ 599,183	\$ -	\$ 599,183
Employers	695,915	-	695,915	1,070,419	-	1,070,419
Tax revenue	1,697,304	-	1,697,304	1,487,769	-	1,487,769
Total contributions	<u>3,115,038</u>	<u>-</u>	<u>3,115,038</u>	<u>3,157,371</u>	<u>-</u>	<u>3,157,371</u>
Investment income:						
Net appreciation						
in fair value of investments	(3,803,896)	(28,572)	(3,832,468)	6,012,546	74,827	6,087,373
Interest	1,064,771	56,389	1,121,160	1,449,839	54,546	1,504,385
Dividends	432,165	-	432,165	467,924	-	467,924
Other investment income	140,421	-	140,421	-	-	-
Less: Investment advisory services	<u>(2,166,539)</u>	<u>27,817</u>	<u>(2,138,722)</u>	<u>7,930,309</u>	<u>129,373</u>	<u>8,059,682</u>
Investment consulting fees	254,672	-	254,672	183,565	-	183,565
Custodial fees	94,388	-	94,388	26,372	-	26,372
Net investment income	<u>29,658</u>	<u>-</u>	<u>29,658</u>	<u>26,603</u>	<u>-</u>	<u>26,603</u>
Other additions:	<u>(2,545,257)</u>	<u>27,817</u>	<u>(2,517,440)</u>	<u>7,693,769</u>	<u>129,373</u>	<u>7,823,142</u>
Transfers from other systems - employee	29,523	-	29,523	90,616	-	90,616
Transfers from other systems - employer/interest	103,976	-	103,976	292,712	-	292,712
Miscellaneous income	101,097	-	101,097	-	-	-
Total other additions	<u>234,596</u>	<u>-</u>	<u>234,596</u>	<u>383,328</u>	<u>-</u>	<u>383,328</u>
Total additions	<u>804,377</u>	<u>27,817</u>	<u>832,194</u>	<u>11,234,468</u>	<u>129,373</u>	<u>11,363,841</u>
DEDUCTIONS: (Note 1)						
Pensions payments	2,945,799	38,151	2,983,950	2,941,395	193,159	3,134,554
Refund of contributions	94,989	-	94,989	84,341	-	84,341
Transfers to other systems - employee	19,326	-	19,326	26,447	-	26,447
Transfers to other systems - employer/interest	47,136	-	47,136	130,919	-	130,919
Administrative expenses (Page 26)	170,397	-	170,397	177,295	-	177,295
Depreciation	1,186	-	1,186	1,731	-	1,731
Total deductions	<u>3,278,833</u>	<u>38,151</u>	<u>3,316,984</u>	<u>3,362,128</u>	<u>193,159</u>	<u>3,555,287</u>
NET INCREASE (DECREASE)	<u>(2,474,456)</u>	<u>(10,334)</u>	<u>(2,484,790)</u>	<u>7,872,340</u>	<u>(63,786)</u>	<u>7,808,554</u>
PLAN NET ASSETS AT BEGINNING OF YEAR	<u>62,716,995</u>	<u>1,451,636</u>	<u>64,168,631</u>	<u>54,844,655</u>	<u>1,515,422</u>	<u>56,360,077</u>
PLAN NET ASSETS AT END OF YEAR	<u>\$ 60,242,539</u>	<u>\$ 1,441,302</u>	<u>\$ 61,683,841</u>	<u>\$ 62,716,995</u>	<u>\$ 1,451,636</u>	<u>\$ 64,168,631</u>

See accompanying notes.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

The Registrars of Voters Employees' Retirement System (System) was established as of January 1, 1955 by Act 215 of 1954, under R.S. Title 11:2032, as amended, for the purpose of providing retirement allowances and other benefits for registrars of voters, their deputies and their permanent employees in each parish of the State of Louisiana. The fund is administered by a board of trustees. Benefits, including normal retirement, early retirement, disability retirements and death benefits, are provided as specified in the plan.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Registrars of Voters Employees' Retirement System prepares its financial statements in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor to the National Council on Governmental Accounting (NCGA).

Basis of Accounting:

Registrars of Voters Employees' Retirement System's financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the Legislature.

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Furniture and Equipment:

Furniture and equipment of the System are accounted for and capitalized in the Pension Fund. Depreciation of fixed assets is recorded as an expense in the Pension Fund. All fixed assets are valued on the basis of historical cost and depreciated using the straight-line method of depreciation over its estimated useful life.

Memorandum Only Column:

The total columns on the Statement of Plan Net Assets and Statement of Changes in Plan Net Assets are captioned memorandum only to indicate that they are presented to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

2. PLAN DESCRIPTION:

The Registrars of Voters Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan (Retirement System Trust Fund) and a Savings Plan (Members' Supplemental Savings Trust Fund). The System was established on the first day of January, nineteen hundred and fifty-five for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. Title 11:2032, as amended, for registrars of voters, their deputies and their permanent employees in each parish. At June 30, 2008 and 2007, statewide retirement membership consists of:

	<u>2008</u>	<u>2007</u>
Current retirees and beneficiaries	137	135
Terminated members due a benefit	5	6
Terminated members due a refund	19	11
Fully vested, partially vested, and nonvested active employees covered	228	213
DROP participants	<u>11</u>	<u>17</u>
Total participants as of the valuation date	<u>400</u>	<u>382</u>

Retirement System Trust Fund:

Any member is eligible for normal retirement after he has 20 years of creditable service and is age 55 or has 10 years of creditable service and is age 60. Any member with 30 years of creditable service regardless of age may retire. Regular retirement benefits are 3.33% of the average final compensation multiplied by the number of years of creditable service, not to exceed 100% of average final compensation.

Any member whose withdrawal from service occurs prior to attaining the age of sixty years, who shall have completed ten or more years of creditable service and shall not have received a refund of his accumulated contributions, shall become eligible for a deferred allowance beginning upon his attaining the age of sixty years.

Disability benefits are awarded to active contributing members with at least 10 years of service established in the System and who have been officially certified as disabled by the State Medical Disability Board. The disabled member who has attained the age of sixty years shall be entitled to a regular retirement allowance. The disabled member who has not yet attained age sixty shall be entitled to a disability benefit equal to the lesser of three percent of his average final compensation multiplied by the number of creditable years of service (not to be less than fifteen years) or three and one third percent of average final compensation multiplied by the years of service assuming continued service to age sixty. Disability benefits may not exceed two-thirds of earnable compensation.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

2. PLAN DESCRIPTION: (Continued)

If a member who has less than five years of credited service dies due to any cause other than injuries sustained in the performance of his official duties, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, and is not eligible to retire, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option 2 factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse and the member has five or more years of creditable service, the surviving minor children under 18 or disabled children shall be paid 80% of the accrued retirement benefit in equal shares until the age of majority or for the duration of the handicap for a handicapped child. Upon the death of any former member with 10 or more years of service, automatic option 2 benefits are payable to the surviving spouse. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

In lieu of terminating employment and accepting a service retirement allowance, any member with eleven or more years of service at age sixty-one, twenty-one or more years of service at age fifty-six, or thirty-one or more years of service at any age may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. This fund does not earn interest. In addition, no cost of living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. The monthly benefits that were being paid into the Deferred Retirement Option Plan fund will begin to be paid to the retiree. If the participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the System.

The Retirement System Trust Fund is financed by employee contributions of 7% of earnable compensation. In addition, each sheriff and ex-officio tax collector remits the employer's share of the actuarially required contribution to fund the System up to a maximum of one-sixteenth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish. Should employee contributions and tax monies be insufficient to fund the System as required by R.S. 11:22 employers contribute the additional amount.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

2. PLAN DESCRIPTION: (Continued)

Cost of living provisions for the System are detailed in R.S. 11:2073 and R.S. 11:246. R.S. 11:2073 allows the board of trustees to provide an annual cost of living increase of 3% of the retiree's original benefit from interest earnings on investments in excess of the valuation interest rate. This applies only to members who have been retired for at least two years. Louisiana statutes also allow the board of trustees to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to two percent of the benefit paid on October 1, 1977, (or the member's retirement date, if later). This raise may only be granted from investment earnings in excess of the valuation interest rate of eight percent.

In lieu of granting a cost of living increase as described above, Louisiana statutes allow the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount not to exceed \$1.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio defined in R.S. 11:242.

Members' Supplemental Savings Trust Fund:

The Members' Supplemental Savings Trust Fund (Fund) was established by LRS 11:2139 as a defined contribution plan. All registrars of voters, their deputies and active permanent employees participate in the plan. During the plan years ended June 30, 2008 and 2007 the number of participants in the plan was 164 and 180, respectively.

In accordance with state statute, funds contributed to the System in excess of those required contributions to the Retirement Fund employer reserve, as established by the Public Retirement Systems' Actuarial Committee, are deposited in the Members' Supplemental Savings Fund. The amount of funds deposited with the Members' Supplemental Savings Fund is three percent of the salaries paid during the preceding fiscal year to members who were still employed by the employer at the end of the fiscal year unless the Public Retirement Systems' Actuarial Committee recommends a lesser percentage based on available funds and the requirements of the Defined Benefit Plan. As of June 30, 2008 and 2007, there were 64 active employers participating in the Fund. There were no contributions to the Member's Supplemental Savings Fund for the years ending June 30, 2008 and 2007.

Should any member of the System terminate membership in the System due to resignation, retirement, disability, death, or for any other reason involving termination of employment, he shall be entitled to payment of all contributions and interest or other earnings or losses credited to his account as of the date of payment, provided he remains out of service until such time as the payments are required to be paid. Payment to the member is made at the end of the calendar quarter following the quarter in which the member terminates.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

2. PLAN DESCRIPTION: (Continued)

Interest, dividends and realized gains or losses shall be allocated at least once each year on the valuation date or dates of the fund. Such earnings or losses shall be allocated to members in proportion to their account balances as of the first day of the period for which the earnings are credited, reduced by any distribution from such account during the valuation period.

3. CONTRIBUTIONS AND RESERVES:

Contributions:

Contributions for all members are established by state statute at 7.0% of earnable compensation. The contribution is deducted from the member's salary and remitted by the participating registrar.

According to state statute, contribution requirements for all employers are actuarially determined each year. For the years ending June 30, 2008 and 2007, the actual employer contribution rate was 6.25% and 11.25%, respectively. For the years ended June 30, 2008 and 2007, the actuarially determined employer contribution rate was 2.40% and 6.66%, respectively. The actual rate is different from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective.

In accordance with state statute the fund receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions.

Administrative costs of the System are financed through ad valorem taxes and state revenue sharing monies.

Reserves:

Use of the term "reserve" by the System indicates that a portion of the fund balance is legally restricted for a specific future use. The nature and purpose of the reserves are explained below:

A) Deferred Retirement Option Plan:

The Deferred Retirement Option Account consists of the reserves for all members who upon eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for three years, and upon termination may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option Account as of June 30, 2008 and 2007 is \$2,548,665 and \$2,141,943 respectively. The Deferred Retirement Option Account is fully funded.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

3. CONTRIBUTIONS AND RESERVES: (Continued)

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the System. When a member terminates his service or upon his death, before qualifying for a benefit, the refund of his contributions is made from this fund. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve. When a member retires, the amount of his accumulated contributions is transferred to the Annuity Reserve to provide part of the benefits payable from that fund. The Annuity Savings as of June 30, 2008 and 2007 is \$5,013,461 and \$4,596,635, respectively. The Annuity Savings is fully funded.

C) Pension Accumulation:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This fund is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation as of June 30, 2008 and 2007 is \$34,580,342 and \$32,506,132, respectively. The Pension Accumulation is fully funded for the years ending June 30, 2008 and 2007.

D) Annuity Reserve:

The Annuity Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the fund from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Annuity Reserve as of June 30, 2008 and 2007 is \$22,868,562 and \$21,692,064, respectively. The Annuity Reserve is 79% and 100% funded for the years ended June 30, 2008 and 2007 respectively.

E) Members' Supplemental Savings:

The Members' Supplemental Savings consists of contributions from the dedicated taxes to the System in excess of those required contributions to the Pension Accumulation, not to exceed three percent of the salaries paid during the fiscal year preceding the year in which funds are received. Upon termination a member is entitled to payment of all contributions and earnings credited to his account in the fund. The Members' Supplemental Savings as of June 30, 2008 and 2007 is \$1,441,302 and \$1,451,636, respectively. The Members' Supplemental Savings is fully funded.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

4. ACTUARIAL COST METHOD:

The Aggregate Actuarial Cost Method was used to calculate the funding requirements of the Registrars of Voters Employees' Retirement System for the fiscal years ended June 30, 2008 and 2007. This funding method allocates pension costs as a level percentage of payroll over the future-working lifetime of current members. The Aggregate Actuarial Cost Method produces no unfunded accrued liability. Under the Aggregate Actuarial Cost Method, actuarial gains and losses are spread over future normal costs. Based on actual experience, future normal costs will increase or decrease.

5. REQUIRED SUPPLEMENTARY SCHEDULES:

Information in the required supplemental schedules is designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits and is presented on pages 28 - 29.

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the System's deposits, cash equivalents and investments at June 30, 2008 and 2007:

2008

	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	<u>Total</u>
Deposits (bank balance)	\$ 1,621,048	\$ --	\$ 1,621,048
Cash equivalents	2,199,258	162,531	2,361,789
Investments	<u>56,115,759</u>	<u>1,268,084</u>	<u>57,383,843</u>
	<u>\$ 59,936,065</u>	<u>\$ 1,430,615</u>	<u>\$ 61,366,680</u>

2007

	Retirement System <u>Trust Fund</u>	Members' Supplemental Savings <u>Trust Fund</u>	<u>Total</u>
Deposits (bank balance)	\$ 1,823,850	\$ --	\$ 1,823,850
Cash equivalents	3,092,831	108,907	3,201,738
Investments	<u>57,685,841</u>	<u>1,329,767</u>	<u>59,015,608</u>
	<u>\$ 62,602,522</u>	<u>\$ 1,438,674</u>	<u>\$ 64,041,196</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Deposits:

The System's bank deposits were entirely covered by Federal depository insurance and pledged collateral held in the name of the System.

Cash Equivalents:

Cash equivalents consist of a money market fund. The funds are held and managed by the System's custodian bank and are held in the name of the System.

Investments:

Statutes authorize the System to invest under the Prudent-Man Rule. The Prudent-Man Rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of the System to act with care, skill, prudence and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Notwithstanding the Prudent-Man Rule, the System shall not invest more than fifty-five percent of the total portfolio in equities, except that the System may invest up to sixty-five percent of the total portfolio in equities if at least ten percent of the total equity allocation is invested in one or more index funds which seek to replicate the performance of the chosen index or indices.

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the System's investment in a single issuer.

The System's investment policy states that no manager will be allocated more than 15% of the System's assets. No single stock position or corporate debt instrument should represent more than 10% of a manager's portfolio at market. In addition, exposure to any single industry shall not exceed 2 times its weighting in the market or 20%, whichever is greater. The System is in compliance with their concentration of credit risk policy.

At June 30, 2008, the investments in a limited partnership and a commingled international equity fund in the amount of \$4,785,940 and \$7,498,824, respectively, represent 8.2% and 12.86%, respectively, of the market value of the System's investments.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's policy states that fixed income securities may include any publicly traded debt instrument regardless of credit rating. Following are the credit risk ratings of the System's investments in long-term debt securities as of June 30, 2008 and 2007 (U.S. Government and Agency obligations totaling \$5,134,491 and \$5,786,808 as of June 30, 2008 and 2007, respectively, are not rated):

Below is a schedule of bonds with their applicable ratings.

	Corporate <u>Bonds</u>	Federal Home Loan <u>Bank</u> (FHLB)	Federal Home Loan Mortgage <u>Corporation</u> (FHLMC)	Federal National Mortgage <u>Association</u> (FNMA)	Government National Mortgage <u>Association</u> (GNMA)	Federal Farm Credit <u>Banks</u>	<u>Total</u>
<u>2008</u>							
AAA	\$ 195,586	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 195,586
A+	924,615	--	--	--	--	--	924,615
A	1,115,099	--	--	--	--	--	1,115,099
BBB+	1,607,364	--	--	--	--	--	1,607,364
BBB	901,359	--	--	--	--	--	901,359
BBB-	466,055	--	--	--	--	--	466,055
BB	209,275	--	--	--	--	--	209,275
BB-	78,300	--	--	--	--	--	78,300
B+	454,113	--	--	--	--	--	454,113
B	453,023	--	--	--	--	--	453,023
B-	453,761	--	--	--	--	--	453,761
CCC+	95,890	--	--	--	--	--	95,890
CCC	123,930	--	--	--	--	--	123,930
CCC-	89,098	--	--	--	--	--	89,098
C	3,000	--	--	--	--	--	3,000
D	88,920	--	--	--	--	--	88,920
Not Rated	<u>94,145</u>	<u>373,512</u>	<u>2,136,290</u>	<u>1,951,540</u>	<u>430,105</u>	<u>148,899</u>	<u>5,134,491</u>
	<u>\$ 7,353,533</u>	<u>\$ 373,512</u>	<u>\$ 2,136,290</u>	<u>\$ 1,951,540</u>	<u>\$ 430,105</u>	<u>\$ 148,899</u>	<u>\$ 12,393,879</u>

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

	Corporate <u>Bonds</u>	Federal Home Loan Bank (FHLB)	Federal Home Loan Mortgage Corporation (FHLMC)	Federal National Mortgage Association (FNMA)	Federal National Mortgage Association (GNMA)	Government U.S. Treasury <u>Notes</u>	<u>Total</u>
<u>2007</u>							
AAA	\$ 305,349	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 305,349
AA-	575,508	--	--	--	--	--	575,508
A+	903,138	--	--	--	--	--	903,138
A	1,075,207	--	--	--	--	--	1,075,207
A-	602,427	--	--	--	--	--	602,427
BBB+	989,065	--	--	--	--	--	989,065
BBB	1,950,205	--	--	--	--	--	1,950,205
BBB-	411,585	--	--	--	--	--	411,585
BB	140,856	--	--	--	--	--	140,856
BB-	293,730	--	--	--	--	--	293,730
B+	11,138	--	--	--	--	--	11,138
B	450,779	--	--	--	--	--	450,779
B-	579,000	--	--	--	--	--	579,000
CCC+	433,445	--	--	--	--	--	433,445
CCC	382,660	--	--	--	--	--	382,660
CCC-	144,952	--	--	--	--	--	144,952
CC	144,750	--	--	--	--	--	144,750
C	148,980	--	--	--	--	--	148,980
Not Rated	--	<u>448,165</u>	<u>2,043,274</u>	<u>2,888,827</u>	<u>194,345</u>	<u>212,197</u>	<u>5,786,808</u>
	<u>\$ 9,542,774</u>	<u>\$ 448,165</u>	<u>\$ 2,043,274</u>	<u>\$ 2,888,827</u>	<u>\$ 194,345</u>	<u>\$ 212,197</u>	<u>\$ 15,329,582</u>

The System invested in a commingled bond fund. As of June 30, 2008, the market value of this fund is \$1,651,525. The rating in the fund ranges from AA to CCC. 6.29% of the investment is not rated. The majority of the fund is invested in BBB, BB+ and B+ graded investments.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The System is not exposed to custodial risk at June 30, 2008 and 2007 for investments in the amount of \$63,306,480 and \$64,041,196, respectively, since the investments are held in the name of the System.

The System has no formal policy regarding custodial credit risk.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2008 and 2007, the System had the following investments in long-term debt securities and maturities:

2008

	Less than <u>1 Year</u>	1 – 5 <u>Years</u>	6 – 10 <u>Years</u>	Greater than <u>10 Years</u>	Fair <u>Value</u>
Corporate Bonds	\$ <u> --</u>	\$ <u>2,726,583</u>	\$ <u>3,826,314</u>	\$ <u>800,636</u>	\$ <u>7,353,533</u>
Governmental Bonds:					
FFCB	\$ --	\$ --	\$ 148,898	\$ --	\$ 148,898
FHLB	--	373,512	--	--	373,512
FHLMC	--	300,114	--	1,836,176	2,136,290
FNMA	--	--	--	1,951,540	1,951,540
GNMA	<u>--</u>	<u>--</u>	<u>--</u>	<u>430,106</u>	<u>430,106</u>
Total Governmental Bonds	\$ <u> --</u>	\$ <u>673,626</u>	\$ <u>148,898</u>	\$ <u>4,217,822</u>	\$ <u>5,040,346</u>

2007

	Less than <u>1 Year</u>	1 – 5 <u>Years</u>	6 – 10 <u>Years</u>	Greater than <u>10 Years</u>	Fair <u>Value</u>
Corporate Bonds	\$ <u>302,499</u>	\$ <u>2,742,543</u>	\$ <u>5,661,817</u>	\$ <u>835,915</u>	\$ <u>9,542,774</u>
Governmental Bonds:					
U S Treasury Notes	\$ 212,198	\$ --	\$ --	\$ --	\$ 212,198
FHLB	49,984	249,188	148,992	--	448,164
FHLMC	49,813	164,126	--	1,829,335	2,043,274
FNMA	--	99,844	--	2,788,983	2,888,827
GNMA	<u>--</u>	<u>--</u>	<u>--</u>	<u>194,345</u>	<u>194,345</u>
Total Governmental Bonds	\$ <u>311,995</u>	\$ <u>513,158</u>	\$ <u>148,992</u>	\$ <u>4,812,663</u>	\$ <u>5,786,808</u>

The System has no formal policy regarding interest rate risk.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

The System invests in mortgage backed securities. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

Commitments:

At June 30, 2008, the System has committed to invest an additional \$1,458,572 in various investments.

Investments in Limited Liability Companies and Limited Partnerships:

During the year ended June 30, 2007 the System invested in six limited partnerships and two limited liability companies in order to enhance diversification. The value of these investments as of June 30, 2008 and 2007 was \$12,027,045 and \$7,901,097 respectively.

7. FURNITURE AND EQUIPMENT:

Change in furniture and equipment consist of the following:

	<u>2008</u>	<u>2007</u>
Balance – Beginning of year	\$ 26,763	\$ 26,763
Additions	--	--
Deletions	--	--
	<u>26,763</u>	<u>26,763</u>
Less accumulated depreciation	<u>(24,844)</u>	<u>(23,658)</u>
Balance – End of year	<u>\$ 1,919</u>	<u>\$ 3,105</u>

Depreciation expense for the years ended June 30, 2008 and 2007 was \$1,186 and \$1,731, respectively.

8. USE OF ESTIMATES:

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

9. TAX QUALIFICATION:

Beginning January 1, 2005, the Retirement System Trust Fund became a qualified plan under IRS Code Section 401(a).

10. FUNDED STATUS AND FUNDING PROGRESS – PENSION PLAN:

The actuarial valuation of assets, actuarial accrued liability and unfunded amounts were calculated using the entry age actuarial cost method which is different from the actuarial method used for funding purposes. The schedule of funding progress as of June 30, 2008 is to provide a surrogate for the funding status and funding of the plan as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Surplus) Underfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
<u>\$ 64,932,257</u>	<u>\$ 67,525,266</u>	<u>\$ 2,592,969</u>	<u>96.16%</u>	<u>\$ 10,839,277</u>	<u>23.92%</u>

Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2008
Actuarial Cost Method	Aggregate Actuarial Cost Method
Asset Valuation Method	Based on the market value adjusted to smooth all investment returns over a five year period above or below the valuation interest rate.
Actuarial Assumptions:	
Investment Rate of Return	8%
Projected Salary Increases	7.0% (3.25% Inflation, 3.75% Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. Future cost of living increases are only granted if specific target ratios are met and excess interest earnings are available to fund the cost of the benefit increase.

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
RETIREMENT SYSTEM TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Annuity Savings	Annuity Reserve	Deferred Retirement Option Plan	Pension Accumulation	Surplus (Unfunded) Actuarial Accrued Liability	Total
BALANCE - BEGINNING	\$ 4,596,635	\$ 21,692,064	\$ 2,141,943	\$ 32,506,132	\$ 1,780,221	\$ 62,716,995
REVENUES AND TRANSFERS:						
Employee contributions	721,819	-	-	-	-	721,819
Employer contributions	-	-	-	695,915	-	695,915
Net investment income (loss)	-	-	-	(2,545,257)	-	(2,545,257)
Parish tax collector	-	-	-	1,697,304	-	1,697,304
Transfers from other systems - employee	29,523	-	-	-	-	29,523
Transfers from other systems - employer/interest	-	-	-	-	-	-
Miscellaneous income	-	-	-	103,976	-	103,976
Pensions transferred from Annuity Reserve	-	-	-	101,097	-	101,097
Transfer from Annuity Savings	-	220,201	570,719	-	-	570,719
Actuarial transfer	-	4,308,818	-	-	-	220,201
Total revenues	751,342	4,529,019	570,719	2,239,894	-	6,548,712
EXPENDITURES AND TRANSFERS:						
Refunds to members	94,989	-	-	-	-	94,989
Transfers to other systems - employee	19,326	-	-	-	-	19,326
Transfers to other systems - employer/interest	-	-	-	47,136	-	47,136
Transfer to Annuity Reserve	220,201	-	-	-	-	220,201
Pensions paid	-	2,781,802	163,997	-	-	2,945,799
Administrative expense	-	-	-	170,397	-	170,397
Depreciation expense	-	-	-	1,186	-	1,186
Pensions transferred to DROP	-	570,719	-	-	-	570,719
Actuarial transfer	-	-	-	-	6,548,712	6,548,712
Total expenditures	334,516	3,352,521	163,997	218,719	6,548,712	10,618,465
NET INCREASE (DECREASE)	416,826	1,176,498	406,722	2,074,210	(6,548,712)	(2,474,456)
BALANCE - ENDING	\$ 5,013,461	\$ 22,868,562	\$ 2,548,665	\$ 34,580,342	\$ (4,768,491)	\$ 60,242,539

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
RETIREMENT SYSTEM TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Annuity Savings	Annuity Reserve	Deferred Retirement Option Plan	Pension Accumulation	Surplus (Unfunded) Actuarial Accrued Liability	Total
BALANCE - BEGINNING	\$ 4,317,076	\$ 18,467,355	\$ 2,409,925	\$ 28,285,762	\$ 1,364,537	\$ 54,844,655
REVENUES AND TRANSFERS:						
Employee contributions	599,183	-	-	-	-	599,183
Employer contributions	-	-	-	1,070,419	-	1,070,419
Net investment income (loss)	-	-	-	7,693,769	-	7,693,769
Parish tax collector	-	-	-	1,487,769	-	1,487,769
Transfers from other systems -employee	90,616	-	-	-	-	90,616
Transfer from other systems - employer/interest	-	-	-	292,712	-	292,712
Pensions transferred from Annuity Reserve	-	-	161,756	-	-	161,756
Transfer from Annuity Savings	-	299,452	-	-	-	299,452
Actuarial transfer	-	5,598,670	-	-	415,684	6,014,354
Total revenues	<u>689,799</u>	<u>5,898,122</u>	<u>161,756</u>	<u>10,544,669</u>	<u>415,684</u>	<u>17,710,030</u>
EXPENDITURES AND TRANSFERS:						
Refunds to members	84,341	-	-	-	-	84,341
Transfers to other systems -employee	26,447	-	-	-	-	26,447
Transfer to other systems - employer/interest	-	-	-	130,919	-	130,919
Transfer to Annuity Reserve	299,452	-	-	-	-	299,452
Pensions paid	-	2,511,657	429,738	-	-	2,941,395
Administrative expense	-	-	-	177,295	-	177,295
Depreciation expense	-	-	-	1,731	-	1,731
Pensions transferred to DROP	-	161,756	-	-	-	161,756
Actuarial transfer	-	-	-	6,014,354	-	6,014,354
Total expenditures	<u>410,240</u>	<u>2,673,413</u>	<u>429,738</u>	<u>6,324,299</u>	<u>-</u>	<u>9,837,690</u>
NET INCREASE (DECREASE)	<u>279,559</u>	<u>3,224,709</u>	<u>(267,982)</u>	<u>4,220,370</u>	<u>415,684</u>	<u>7,872,340</u>
BALANCE - ENDING	\$ 4,596,635	\$ 21,692,064	\$ 2,141,943	\$ 32,506,132	\$ 1,780,221	\$ 62,716,995

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008 Market Value	2007 Market Value
<u>BONDS</u>		
Government:		
Federal Home Loan Mortgage Corporation	\$ 1,836,176	\$ 1,829,336
Federal National Mortgage Association	1,801,165	2,788,983
Government National Mortgage Association	430,105	194,345
Total Government Bonds	<u>4,067,446</u>	<u>4,812,664</u>
Corporate Bonds	<u>7,353,533</u>	<u>9,542,774</u>
 TOTAL BONDS	 <u>\$ 11,420,979</u>	 <u>\$ 14,355,438</u>
 <u>LIMITED LIABILITY COMPANIES</u>		
Sand Spring Capital, LLC	\$ 1,386,984	\$ 2,079,325
Land Baron, LLC	<u>1,754,800</u>	<u>-</u>
 TOTAL LIMITED LIABILITY COMPANIES	 <u>\$ 3,141,784</u>	 <u>\$ 2,079,325</u>
 <u>LIMITED PARTNERSHIPS</u>		
Americus Real Estate Fund IV Ltd.	2,021,725	1,032,170
Equitas Evergreen Fund L.P.	4,785,940	4,653,391
Plains All American Pipeline L.P.	114,587	136,211
Montagu Newhall, LLC	1,939,800	-
Icahn Enterprises, L.P.	22,509	-
Brookfield Infrastructure, L.P.	<u>700</u>	<u>-</u>
 TOTAL LIMITED PARTNERSHIPS	 <u>\$ 8,885,261</u>	 <u>\$ 5,821,772</u>
 <u>MARKETABLE SECURITIES</u>		
Common stock	<u>\$ 18,284,002</u>	<u>\$ 21,003,159</u>
 <u>COMMINGLED FUNDS</u>		
Emerging Markets Equity Fund	\$ 1,796,310	\$ 3,052,976
Emerging Markets-Bonds	1,651,525	-
Equity Strategies Fund	2,281,843	2,020,000
Global REIT Fund	1,155,231	1,404,195
International Equity Fund	<u>7,498,824</u>	<u>7,948,976</u>
 TOTAL COMMINGLED FUNDS	 <u>\$ 14,383,733</u>	 <u>\$ 14,426,147</u>

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
MEMBERS' SUPPLEMENTAL SAVINGS TRUST FUND
SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENTS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
	<u>Market Value</u>	<u>Market Value</u>
<u>BONDS</u>		
Government:		
U.S. Treasury	\$ -	212,197
Federal Farm Credit Banks	148,899	-
Federal Home Loan Bank	373,512	448,165
Federal Home Loan Mortgage Corp.	300,114	213,938
Federal National Mortgage Association	150,375	99,844
Total Government	\$ <u>972,900</u>	\$ <u>761,947</u>
	<u>Market Value</u>	<u>Market Value</u>
<u>COMMINGLED FUNDS</u>		
Pooled equity funds	\$ <u>295,184</u>	\$ <u>355,623</u>

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
PERSONAL SERVICES:		
Staff salaries	\$ 53,099	\$ 50,804
Board member-per diem	3,525	5,100
Payroll taxes	1,079	1,033
	<u>57,703</u>	<u>56,937</u>
PROFESSIONAL SERVICES:		
Accountant	30,978	25,880
Actuarial	28,200	26,640
Legal	6,000	4,800
	<u>65,178</u>	<u>57,320</u>
COMMUNICATIONS:		
Telephone	4,299	2,197
Travel	14,188	29,272
	<u>18,487</u>	<u>31,469</u>
OTHER:		
Bank charges	1,595	2,324
Computer expense	98	674
Membership dues	967	450
Miscellaneous	14,014	17,215
Office expense	10,258	8,640
Office rent	1,560	1,796
Utilities	537	470
	<u>29,029</u>	<u>31,569</u>
TOTAL EXPENSES	<u>\$ 170,397</u>	<u>\$ 177,295</u>

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF PER DIEM PAID TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

<u>TRUSTEE</u>	<u>2008</u>	<u>2007</u>
Jimmie Hattaway	\$ 600	\$ 900
Lonnie Juneau	525	150
John Moreau	600	825
Robert Poche	600	900
Angela Quienalty	-	525
Linda Rodrigue	600	900
Deborah Waskom	<u>600</u>	<u>900</u>
	\$ <u><u>3,525</u></u>	\$ <u><u>5,100</u></u>

REGISTRAR OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 2003 THROUGH 2008

<u>Fiscal Year</u>	<u>Actuarial Required Contributions Employer</u>	<u>Actuarial Required Contributions Other Sources</u>	<u>Percent Contributed Employer</u>	<u>Percent Contributed Other Sources</u>
2003	\$ 204,712	\$ 1,189,227	- %	99.79 %
2004	594,443	1,258,294	41.6	100.10
2005	884,379	1,323,700	77.2	101.47
2006	988,202	1,343,284	103.17	104.70
2007	598,360	1,483,065	178.89	100.32
2008	231,180	1,565,723	301.02	108.40

For the years ending June 30, 2003 through 2008, the actuarially required contribution differs from actual contributions made due to state statute that requires the contribution rate be calculated and set two years prior to the year effective.

REGISTRARS OF VOTERS EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2008

<u>Year</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>(Surplus) Underfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b-a/c)</u>
2008	<u>\$ 64,932,257</u>	<u>\$ 67,525,266</u>	<u>\$ 2,592,969</u>	<u>96.16%</u>	<u>\$ 10,839,277</u>	<u>23.92%</u>

The actuarial valuation of assets, actuarial accrued liability and unfunded amounts were calculated using the entry age actuarial cost method which is different from the actuarial method used for funding purposes. The above schedule of funding progress is to provide a surrogate for the funding status and funding of the plan.



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 30, 2008

Registrars of Voters Employees'
Retirement System of Louisiana
P.O. Box 57
Jennings, LA 70546

We have audited the financial statements of Registrars of Voters Employees' Retirement System as of and for the year ended June 30, 2008, and have issued our report thereon dated December 30, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Registrars of Voters Employees' Retirement System's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Registrars of Voters Employees' Retirement System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Registrars of Voters Employees' Retirement System's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects Registrars of Voters Employees' Retirement System's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Registrars of Voters Employees' Retirement System's financial statements that is more than inconsequential will not be prevented or detected by Registrars of Voters Employees' Retirement System's internal control. We consider the deficiencies described below to be significant deficiencies in internal control over financial reporting.

08-01 - As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the System's annual financial statements. This condition is intentional by management based upon the System's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and the annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

We recommend that management review their system to determine if it would become cost effective to develop and implement internal controls over year-end adjusting journal entries and the preparation of their annual financial statements.

A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Registrars of Voters Employees' Retirement System's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Registrars of Voters Employees' Retirement System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Registrars of Voters Employees' Retirement System's Board of Trustees, Office of the Legislative Auditor of the State of Louisiana, and management of the System and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

Registrar of Voters Employees' Retirement System

Lorraine C Dees - Director

PO Box 57

Jennings, La 70546

Telephone: 800 510 8515

Fax # 337 824 9187

December 30, 2008

Steve J. Theriot, CPA
Legislative Auditor
Baton Rouge, Louisiana 70804-9397

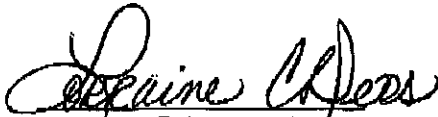
Reference: Registrar of Voters Employees' Retirement System
Annual Audit, 06/30/2008

Finding:

08-01 - As in common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the System's annual financial statements. This condition is intentional by management based upon the System's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and the annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls. Recently issued Statement on Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Response:

We have determined that it is the most cost effective and the prudent use of the System's funds to engage the auditor to propose certain year-end adjusting entries and to prepare the System's annual financial reports. As such we feel that no action by the System is necessary at this time.



Lorraine C. Dees, Director
Registrar of Voters Employees' Retirement System